



Louisiana Housing Finance Agency

The following resolution was offered by Vice-Chair Allison A. Jones and seconded by Commissioner Michael L. Airhart:

RESOLUTION

A resolution is hereby approved whereby the Louisiana Housing Finance Agency ("the Agency") supports both the regulation adopted by the State Tax Commission to utilize the capitalized income approach for assessing the Low Income Housing Tax Credit Properties and also supports the use of market capitalization rate "Class C" structure for rental properties with similar construction and location.

WHEREAS, The Low Income Housing Tax Credit program was derived out of the 1986 Tax Reform Act to provide much needed affordable housing for families and individuals earning income at 50% and 60% of area median income. The program uses equity from the syndication of tax credits and debt supported by the net operating income from the property to fund development costs.

WHEREAS, Some ad valorem tax assessors have taken an aggressive approach to valuation of Low Income Housing Tax Credit Developments thereby creating a disproportionate tax assessment and unfair tax burden on affordable housing communities.

WHEREAS, Disproportionate tax burdens relative to the operating income of Low Income Housing Tax Credit Developments reduces the ability of these developments to pay for needed services and maintenance and reduces the debt that can be used to fund development costs thereby negatively impacting the viability of affordable housing in Louisiana.

WHEREAS, The Louisiana Tax Commission has adopted a regulation whereby tax assessors are provided guidance on the valuation of Low Income Housing Tax Credit Developments. The regulation requires the use of the capitalized income approach utilizing net operating income from the property to value the property instead of the sales approach or the cost approach.

WHEREAS, The State Tax Commission regulation requires the commission to establish the capitalization rate to be utilized in the capitalized income approach to value.

WHEREAS, The utilization of an artificially low capitalization rate would nullify any benefit generated by the State Tax Commission's regulation requiring the use of the capitalized income approach over other valuation methods.

THEREFORE BE IT RESOLVED that the Agency supports the regulation adopted by the State Tax Commission to utilize the capitalized income approach for assessing the Low Income Housing Tax Credit Properties.

NOW THEREFORE BE IT FURTHER RESOLVED that the Agency supports the use of market capitalization rate "Class C" structure for rental properties with similar construction and location.

This resolution having been submitted to a vote, the vote thereon was as following:

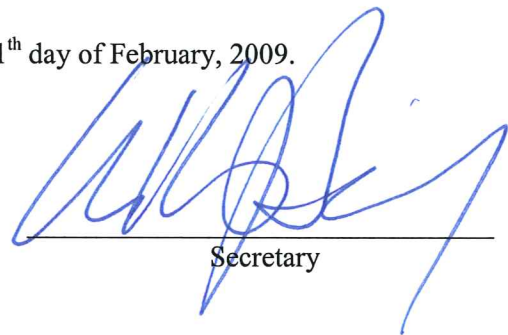
YEAS: Wayne E. Woods, Allison A. Jones, John Kennedy, Guy T. Williams, Robert Pernell, Michael L. Airhart, Mayson H. Foster, Joseph Scontrino, III, Katie Anderson, Jerome Boykin, Sr.

NAYS:

ABSENT: J. Mark Madderra, Susan W. Sonnier, Tyrone A. Wilson, Walter O. Guillory

And the resolution was declared adopted on this, the 11th day of February, 2009.



Chairman

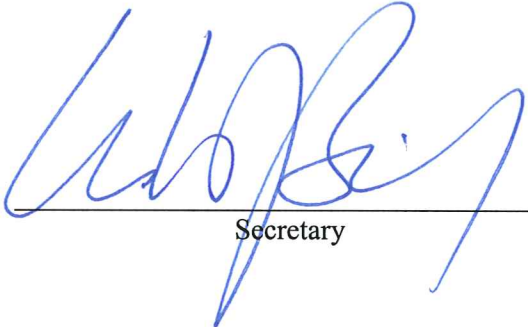
Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Commissioners of the Louisiana Housing Finance Agency (the "Agency"), do hereby certify that the foregoing two (2) pages constitutes a true and correct copy of a resolution adopted by said Board of Commissioners on February 11, 2008 whereby the Louisiana Housing Finance Agency ("the Agency") supports both the regulation adopted by the State Tax Commission to utilize the capitalized income approach for assessing the Low Income Housing Tax Credit Properties and also supports the use of market capitalization rate "Class C" structure for rental properties with similar construction and location.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 11th day of February, 2009.



Secretary